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H. C. ANDREAE & COMPANY  
LIMITED

INVESTMENT COUNSEL

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JANUARY 22ND, 1965.

IT GIVES ME GREAT PLEASURE TO BE ABLE TO TELL  
YOU ABOUT A VERY CONSTRUCTIVE DEVELOPMENT WITH RESPECT TO  
MY FIRM, AN ANNOUNCEMENT OF WHICH WILL PRESENTLY APPEAR IN  
THE FINANCIAL PRESS.

FOR SOME TIME THE GROWING NEEDS OF OUR CLIENTS  
HAVE LED ME TO SEARCH FOR A FORMULA WHICH WOULD SUPPLEMENT  
AND STRENGTHEN OUR RESEARCH FACILITY AND BROADEN ITS BASE,  
WHILE ALSO PROVIDING GREATER ASSURANCE OF CONTINUITY OF SERVICE  
IN CASE OF UNFORESEEN CONTINGENCIES, WHICH IS SO IMPORTANT IN  
PORTFOLIO MANAGEMENT.

AS YOU KNOW, I HAVE ALWAYS CONSIDERED AN UNDER-  
STANDING OF THE ECONOMY AND STOCK MARKETS IN THE UNITED STATES  
AS THE KEYSTONE OF INVESTMENT SUCCESS. TO THIS END I HAVE FROM  
TIME TO TIME RETAINED ADVISERS ON THE U.S. MARKET. ABOUT A  
YEAR AGO I MADE SUCH AN ARRANGEMENT WITH THE FIRST NATIONAL  
CITY BANK OF NEW YORK.

THEIR EXTENSIVE INVESTMENT FACILITIES AND RENOWNED  
ECONOMIC DEPARTMENT WERE ATTRACTIVE TO ME. AS FIDUCIARIES,  
THEY MANAGE VERY LARGE SUMS OF PENSION MONIES. IN ORDER TO  
SERVE THEIR INVESTMENT COUNSEL CLIENTS THEY MAINTAIN A LARGE  
RESEARCH STAFF, HAVING EXCELLENT CONTACTS WITH INDUSTRY IN THE  
UNITED STATES AND CANADA. OUTSIDE OF THE CANADIAN BANKS WHOSE



OPERATIONS IN NEW YORK ARE EXTENSIVE, FIRST NATIONAL CITY BANK ENJOYS THE LARGEST NEW YORK CLEARING WITH CANADA, OF ANY U.S. BANK BY VIRTUE OF ITS HISTORICAL TIES WITH OUR COUNTRY.

WHEN I FIRST APPROACHED THE INVESTMENT DEPARTMENT OF THE BANK IT WAS EXPLAINED TO ME THAT I WOULD BE UNABLE TO RETAIN THEIR SERVICES AS OVERALL CONSULTANTS. THEY DID, HOWEVER, FAVOUR ME WITH THE SUPERVISION OF AN ACCOUNT WHICH GAVE ME SOME ACCESS TO AND CALL UPON THEIR RESEARCH FACILITIES. THIS HAS BEEN OF INDIRECT BENEFIT TO OUR CLIENTELE AT LARGE.

OVER THE MONTHS IT HAS BECOME APPARENT THAT CLOSER TIES ON A MORE PERMANENT BASIS WOULD FOR OUR PART, GREATLY IMPROVE THE BREADTH AND CONTINUITY OF OUR SERVICE. AS FOR THE BANK, IT EXPRESSED AN INTEREST IN A CLOSER ASSOCIATION WITH OUR FIRM AS THIS FITS IN WITH THE LONG RANGE PLANS OF THEIR TRUST COMPANY OPERATION IN CANADA, AND THEY HAVE A HIGH OPINION OF OUR METHOD OF OPERATION, OUR STAFF, AND OUR INVESTMENT RESULTS.

FOR SOME MONTHS NOW WE HAVE HAD DISCUSSIONS AND MEETINGS WHICH HAVE LED TO THE ESTABLISHMENT OF A CLOSE AFFILIATION WITH THEM. LET ME ASSURE YOU THAT IT IS THE INTENTION THAT H.C. ANDREAE & COMPANY LIMITED WILL CARRY ON ITS NORMAL WAY, THAT ITS STAFF WILL CONTINUE AND BE SUPPLEMENTED BY OTHER CANADIANS, AND THAT I SHALL REMAIN AS PRESIDENT AND AN OFFICER RESPONSIBLE FOR INVESTMENT POLICY. IT ALSO IS THE INTENTION NOT TO DISTURB IN ANY WAY, EXISTING RELATIONS WHICH OUR CLIENTS HAVE ESTABLISHED WITH BROKERS, BANKS OR TRUST COMPANIES.

I HAVE BEEN INVITED TO BECOME A DIRECTOR AND VICE-PRESIDENT OF THE INTERNATIONAL TRUST COMPANY, AND HAVE RECIPROCALLY INVITED MR. GRAYDON SAUNDERS, EXECUTIVE VICE-PRESIDENT OF THE INTERNATIONAL TRUST COMPANY, TO BECOME A DIRECTOR AND VICE-PRESIDENT OF H.C. ANDREAE & COMPANY LIMITED.





MR. GRAYDON SAUNDERS, A CANADIAN, BRINGS TO US HIS VERY VALUABLE EXPERIENCE AS A SENIOR FINANCIAL OFFICER WITH ONE OF CANADA'S LARGEST LIFE INSURANCE COMPANIES WHICH HE SERVED FOR SOME THIRTY YEARS UNTIL ASSUMING HIS PRESENT POST WITH THE INTERNATIONAL TRUST COMPANY. I HOPE TO ARRANGE TO HAVE YOU MEET HIM AT AN EARLY OPPORTUNITY.

I FELT THAT YOU WERE ENTITLED TO KNOW, AND THAT YOU MIGHT BE INTERESTED IN, THE DETAILS OF THE DEVELOPMENTS WHICH I HAVE SET OUT ABOVE. I AM ALSO MOST ANXIOUS THAT THE NEWS OF THIS CONSTRUCTIVE DEVELOPMENT SHOULD REACH YOU BY THIS LETTER IN ORDER THAT YOU MIGHT BE AWARE OF THE BENEFICIAL IMPLICATIONS OF THE ANNOUNCEMENT WHICH YOU WILL PRESENTLY SEE RECORDED IN THE PRESS.

I AM SURE YOU WILL JOIN ME IN WELCOMING MR. SAUNDERS AND MY NEW ASSOCIATION WHICH HOLDS SO MUCH PROMISE FOR THE FUTURE.

YOURS VERY TRULY,

H. C. ANDREAE.

HCA/HB





No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

## ANDREAE EQUITY INVESTMENT FUND LIMITED

The following information is supplied by Herbert Christopher Andreae, President, Andreae Equity Investment Fund Limited.

### METHODS OF PURCHASE:

Class "A" shares of the Company may be acquired by investors in the following ways:

1. Cash Purchase,
2. Accumulation Plan,
3. Accumulation Plan with Insurance,
4. Capital Accumulation Plan No. 450 offered by C.A.P. Limited,
5. Systematic Programme,
6. Withdrawal Plan,
7. Retirement Savings Plan,
8. Corporate Pension Plan.

Details of the aforesaid are contained in Paragraph 14 of the Statutory Information of this Prospectus.

### CHARACTERISTICS:

#### 1. Ownership —

Ownership of Class "A" shares provides the holder with an opportunity to participate in the growth of the economy and also acts as a hedge against inflation.

#### 2. Diversification —

Owners of Class "A" shares acquire an interest in a broad selection of securities thus spreading their investment into varied segments of the economy.

#### 3. Professional Management —

Continuous, active management of the Company's portfolio of investments is maintained by experienced investment counsel.

#### 4. Custodianship —

All moneys and securities of the Company are held in safekeeping by a Trust Company.

#### 5. Marketability —

The Company's Class "A" shares may be redeemed at any time at their net asset value at the option of the holder, but not at the option of the Company.

#### 6. Flexibility —

There are eight distinct methods of purchasing Class "A" shares which may be tailored to the client's individual requirements.

### 7. Information to Shareholders —

Confirmation of each investment by shareholders is forwarded to shareholders. Shareholders receive quarterly reports of the Company.

### 8. Termination of Plans —

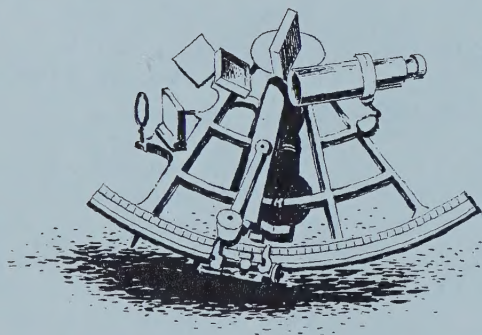
Holders of the three types of accumulation plans described in Paragraph 14 of the Statutory Information of this Prospectus are entitled for a period of 30 days from the date of acceptance of such Plans to the return of all moneys paid thereunder.

### PERFORMANCE:

The following summary indicates the successful performance of the investments of the Company and its predecessor:

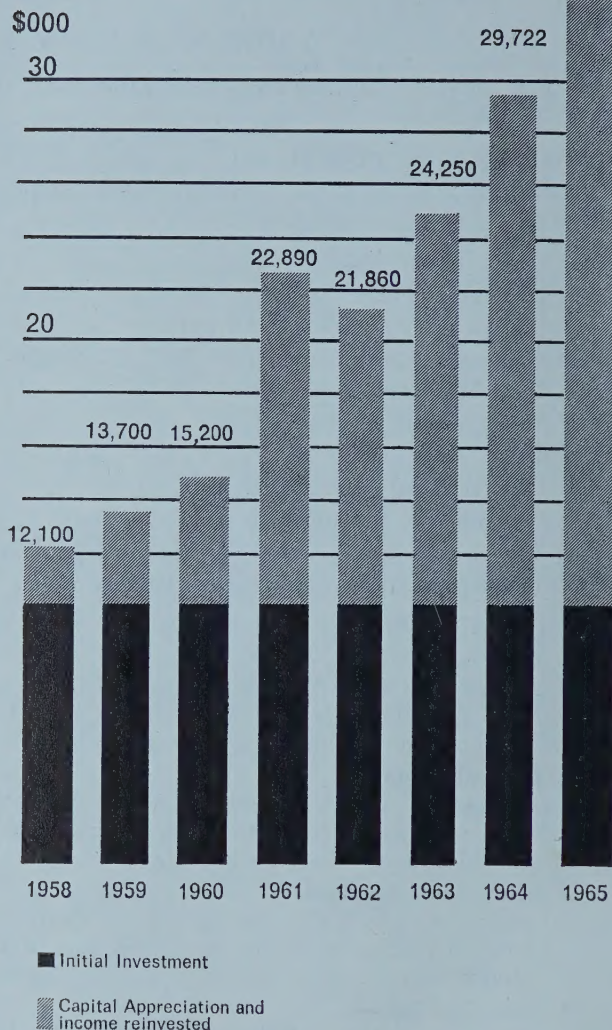
September 16, 1957—Net asset value of	
1 Unit of predecessor	\$1.00
September 5, 1960—Company acquired	
assets of predecessor	
— Net asset value of	
1 Class "A" share	
(corresponding to 1	
Unit of predecessor)	1.54
November 30, 1960—Net asset value of	
1 Class "A" share	1.52
November 30, 1961—Net asset value of	
1 Class "A" share	2.26
November 30, 1962—Net asset value of	
1 Class "A" share	2.14
November 30, 1963—Net asset value of	
1 Class "A" share	2.38
November 30, 1964—Net asset value of	
1 Class "A" share	2.87
November 30, 1965—Net asset value of	
1 Class "A" share	3.28

The above recorded net asset values were achieved during periods of generally rising market prices. Future increases in the net asset value cannot be guaranteed.



## INVESTMENT PERFORMANCE

1957 - 1965  
33,855



This chart shows the value at November 30th of each year of a 10,000 investment (less sales charge as constituted from August 21st, 1964) with reinvestment of dividends, in Andreae Equity Investment Fund Limited and its predecessor since its inception September 16th, 1957.

The above recorded values were achieved during periods of generally rising market prices. Future increases in value cannot be guaranteed.



## ANNUAL REPORT FOR YEAR ENDED NOVEMBER 30, 1965

The twelve months ended November 30, 1965, saw a further growth in your Fund. The value of your shares increased by 14.7% to \$3.28 as of November 30, 1965. The number of Class 'A' shares outstanding increased by 59%, and the value of your Fund increased from \$1,710,256 to \$3,100,344, an increase of 81%.

During the year certain important events took place. The firm of H. C. Andreae & Company Limited, your investment manager, was purchased by International Trust Company, a subsidiary of First National City Bank of New York. International Fund Distributors Limited, a company wholly owned by your President assumed the management contract from the firm of H. C. Andreae & Company Limited commencing with the date of publication of the 1966 prospectus. International Trust Company has joined your President in the management of your Fund and is a 20% holder of the voting shares of your Fund. Mr. Robert L. Hoguet and Mr. Robert P. MacFadden are two new Directors. They are senior officials of the First National City Bank, New York, as well as being directors of International Trust Company, and we are indeed fortunate to have their counsel and advice in the management of our portfolio.

International Fund Distributors Limited have also been appointed exclusive wholesale distributor of the Class 'A' shares of your company. Arrangements were effected for sales of shares in your Fund in the Province of Nova Scotia through Stanbury Lee Investment Funds Limited and in the Province of Quebec through the firm of Chenard, Therien & Co. Ltd.

It is gratifying to note that the income of the Fund has since 1961 grown fourteen-fold. Unfortunately the expenses of running a mutual fund increase with other costs of doing business and fixed expenses can only be reduced on a per share basis if the number of shareholders can be increased.

It is, therefore, very satisfying to be able to point to a 59% increase in the number of Class 'A' shares outstanding compared to a 23% increase the year before.

### Investment Results

The investment results during the year ended November 30, 1965, were gratifying viewed against the

background of the Canadian stock market. The Toronto industrial averages gained only 0.5% as against a 25% gain the year before. Two years ago the Toronto index advanced only 6%. The total advance for the three years ended November 30, 1965, was 33%.

The Dow Jones industrials in the United States advanced by 8% in the twelve months ended November 30th, thus outperforming Toronto. The year before the Dow Jones gained only 17%, thus being exceeded by Toronto. The year before that, however, the Dow Jones gained 16% while Toronto advanced only 6%.

As you will see, the Toronto and New York markets seem alternately to outperform each other. Your portfolio is composed in part of American stocks and in part of Canadian stocks. Your management tries to adjust to the most favourable opportunities in either market. Over the past three years (year ended November 30) the value of your shares has advanced from \$2.14 to \$3.28, a gain of 53%, compared to 33% for the Toronto Stock Industrial Index and 46% for the Dow Jones.

In June of 1965 the market suffered a reverse, during which your shares declined less than the averages and recovered their old highs more quickly. This event was a small scale repetition of the bigger decline experienced in 1962. At that time your share value declined a maximum of 16% while the market over-all broke 25%.

It is interesting to note that the relatively favourable performance of your Fund over the past five years is attributable not only to progress in rising markets but also to resistance to down turns by virtue of the relatively high quality of your holdings.

Your management continues to feel that we should seek investments which will gain in earning power, so that, to the extent that we are successful, capital values will follow in the wake of earnings gains.

ANDREAE EQUITY INVESTMENT  
FUND LIMITED

February 8, 1966

(sgd.) H. C. Andreae,  
President

## AUDITORS' REPORT

To the Shareholders of

### ANDREAE EQUITY INVESTMENT FUND LIMITED:

We have examined the financial statements of Andreae Equity Investment Fund Limited as at November 30, 1965 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances including confirmation of the cash and securities owned at November 30, 1965 by correspondence with the depositaries.

In our opinion, the accompanying Statements of Financial Position, Surplus Accounts, Changes in Net Assets and Income and Expenses present fairly the financial position of the company as at November 30, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario  
December 31, 1965

(sgd.) Price Waterhouse & Co.,  
Chartered Accountants.

## ANDREAE EQUITY INVESTMENT FUND LIMITED

### STATEMENT OF FINANCIAL POSITION

AS AT NOVEMBER 30, 1965

#### Assets:

##### Accounts receivable—

For security sales .....	\$ 102,362	
For shares of the Fund sold .....	1,448	
Interest accrued and dividends receivable .....	13,472	
Investments in marketable securities valued on the basis of market quotations (average cost \$2,630,183) .....	3,086,610	\$3,203,892

#### Liabilities:

Bank overdraft .....	57,957	
Accounts payable for security purchases .....	34,599	
Other accounts payable and accrued liabilities .....	9,301	
Income taxes payable .....	1,691	103,548
Net assets at market value .....		<u>\$3,100,344</u>
Net asset value per share .....		<u>\$ 3.28</u>



**Represented by:**

Capital stock and surplus:

Capital stock—

Class “A” non-voting shares with a par value of 20 cents each, redeemable at the shareholders’ request at the liquidating value thereof to the extent that there is capital redemption reserve available for such purposes—

Authorized—6,268,488 shares (total shares authorized less 230,512 shares redeemed to date)

Issued—946,528 shares (during the year 411,278 shares were issued for cash, 42,419 shares were issued for marketable securities and 102,584 shares were redeemed) ..... \$ 189,306

Common shares with a par value of 20 cents each—

Authorized — 725,000 shares

Issued — 30 shares ..... 6 \$ 189,312

Surplus, per statement attached—

Contributed surplus—

Capital redemption reserve ..... 2,233,431

Paid-in income ..... 10,081

Reserve for reinvestment (net realized gain on sale of investments) ..... 184,513

Earned surplus ..... 26,580

Unrealized appreciation in value of investments ..... 456,427 2,911,032  
\$3,100,344

**APPROVED ON BEHALF OF THE BOARD:**

(sgd.) H. C. Andreae, Director

(sgd.) G. H. Craig, Director



**ANDREAE EQUITY INVESTMENT FUND LIMITED**  
**STATEMENT OF SURPLUS ACCOUNTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 1965**

	Capital redemption reserve	Paid-in income
<b>Contributed surplus—</b>		
Balance November 30, 1964 .....	\$1,215,608	\$ 2,003
Add — Portion of proceeds on issue of Class “A” shares during the year .....	1,298,680	14,065
	<u>2,514,288</u>	<u>16,068</u>
Deduct:		
Portion of amount paid or credited to shareholders on redemption of Class “A” shares during the year .....	280,857	3,017
Amount transferred to earned surplus .....	—	2,970
	<u>280,857</u>	<u>5,987</u>
Balance November 30, 1965 .....	<u><u>\$2,233,431</u></u>	<u><u>\$ 10,081</u></u>
<b>Reserve for reinvestment—</b>		
Balance November 30, 1964 .....		\$ 93,203
Net realized gain on sale of investments during the year .....		91,310
Balance November 30, 1965 .....		<u><u>\$184,513</u></u>
<b>Earned surplus—</b>		
Balance November 30, 1964 .....		\$ 13,316
Add — Net income for the year, per statement attached .....		23,052
		<u>36,368</u>
Deduct:		
Dividends paid .....	\$ 12,758	
Less — Amount transferred from paid-in income account .....	<u>2,970</u>	<u>9,788</u>
Balance November 30, 1965 .....		<u><u>\$ 26,580</u></u>
<b>Unrealized appreciation in value of investments—</b>		
Balance November 30, 1964 .....		\$267,037
Add — Increase in unrealized appreciation in value of investments .....		189,390
Balance November 30, 1965 .....		<u><u>\$456,427</u></u>

**ANDREAE EQUITY INVESTMENT FUND LIMITED**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED NOVEMBER 30, 1965**

<b>Net assets at November 30, 1964</b> .....		<b>\$1,710,256</b>
<b>Add:</b>		
Proceeds on issue of Class "A" shares credited to the following accounts—		
Class "A" share capital .....	\$ 90,739	
Contributed surplus—		
Capital redemption reserve .....	1,298,680	
Paid-in income .....	14,065	
Net income for the year .....	23,052	
Net realized gain on sale of investments .....	91,310	
Increase in unrealized appreciation in value of investments .....	189,390	1,707,236
		<u>3,417,492</u>
<b>Deduct:</b>		
Amount paid or credited to shareholders on redemption of Class "A" shares, charged to the following accounts—		
Class "A" share capital .....	20,516	
Contributed surplus—		
Capital redemption reserve .....	280,857	
Paid-in income .....	3,017	
Dividends paid .....	12,758	317,148
<b>Net assets at November 30, 1965</b> .....		<b><u>\$3,100,344</u></b>

**ANDREAE EQUITY INVESTMENT FUND LIMITED**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR THE YEAR ENDED NOVEMBER 30, 1965**

**Income:**

Dividends .....	\$47,146	
Interest .....	<u>17,685</u>	\$64,831

**Expenses:**

Audit fees .....	3,148	
Bank charges and interest .....	471	
Investment counsel fees .....	12,109	
Legal fees .....	8,790	
Registration and filing fees .....	795	
Stationery and printing .....	3,195	
Trust company fees .....	<u>8,450</u>	<u>36,958</u>
Income before provision for income taxes .....		<u>27,873</u>
Foreign withholding taxes .....	3,334	
Provision for Canadian income taxes .....	<u>1,487</u>	<u>4,821</u>
Net income for the year .....		<u><u>\$23,052</u></u>

**AUDITORS' REPORT**

To the Directors of

Andrae Equity Investment Fund Limited:

We have examined the Statement of Income and Expenses and Net Realized Gain on Sale of Investments of Andrae Equity Investment Fund Limited (formerly Andrae-Cole Fund Limited) for the six fiscal periods ended November 30, 1965 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Statement of Income and Expenses and Net Realized Gain on Sale of Investments presents fairly the net income of the company and the net realized gain on sale of investments for the fiscal periods indicated, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario  
December 31, 1965

(sgd.) Price Waterhouse & Co.,  
Chartered Accountants.



**ANDREAE EQUITY INVESTMENT FUND LIMITED**  
**STATEMENT OF INCOME AND EXPENSES**  
**AND NET REALIZED GAIN ON SALE OF INVESTMENTS**  
**FOR THE PERIOD FROM INCORPORATION ON AUGUST 23, 1960**  
**TO NOVEMBER 30, 1965**

Income and expenses:	Year ended November 30					From incorpora- tion on August 23, 1960 to November 30, 1960
	1965	1964	1963	1962	1961	
Income —						
Dividends .....	\$47,146	33,592	18,528	8,386	2,759	77
Interest .....	17,685	5,480	6,990	6,885	303	91
	64,831	39,072	25,518	15,271	3,062	168
Expenses —						
Audit fees .....	3,148	1,795	1,330	750	450	—
Bank charges and interest .....	471	45	1,055	850	401	32
Investment counsel fees .....	12,109	12,456	9,692	5,092	—	—
Legal fees .....	8,790	4,082	4,137	370	—	—
Registration, filing and transfer fees .....	795	522	716	445	351	—
Stationery and printing .....	3,195	1,018	1,248	411	—	—
Supplementary letters patent fees .....	—	879	285	—	—	—
Trust company fees .....	8,450	3,828	—	—	—	—
	36,958	24,625	18,463	7,918	1,202	32
Income before provision for income taxes .....	27,873	14,447	7,055	7,353	1,860	136
Foreign withholding taxes .....	3,334	2,670	1,227	536	115	—
Provision for Canadian income taxes .....	1,487	261	205	1,050	110	30
	4,821	2,931	1,432	1,586	225	30
Net income for the year .....	\$23,052	11,516	5,623	5,767	1,635	106
<b>Net realized gain on sale of investments:</b>						
Net realized gain on sale of investments during the period, transferred to reserve for reinvestment ....	\$91,310	62,200	11,866	323	19,507	(693)

# ANDREAE EQUITY INVESTMENT FUND LIMITED

## STATEMENT OF INVESTMENTS HELD

AS AT NOVEMBER 30, 1965

### COMMON STOCKS — FINANCIAL AND INDUSTRIAL

	Number of shares	Average cost	Value based on market quotations*
<b>Banks and trust companies</b>			
Bank of Nova Scotia .....	700	\$ 50,418	\$ 48,650
Canadian Imperial Bank of Commerce .....	800	50,778	49,700
Canada Permanent Mortgage Corporation .....	5,000	78,850	67,500
		180,046	165,850
<b>Insurance and finance</b>			
Industrial Acceptance Corporation Limited .....	2,750	69,028	64,625
The Investors Group — Class "A" .....	4,000	49,177	59,500
		118,205	124,125
<b>Public utilities and pipelines</b>			
Bell Telephone Company of Canada .....	1,000	62,933	56,375
Interprovincial Pipe Line Company .....	400	33,572	34,100
		96,505	90,475
<b>Food and beverages</b>			
Anheuser-Busch, Incorporated .....	1,000	29,876	54,290
Dominion Stores Limited .....	750	10,340	18,750
Grand Union Company Limited .....	2,200	60,120	58,542
Oshawa Wholesale Limited — Class "A" .....	3,000	27,055	84,000
		127,391	215,582
<b>Business forms and equipment</b>			
International Business Machines Corporation ..	200	91,908	112,876
Moore Corporation Limited .....	1,200	72,526	93,600
Xerox Corporation .....	400	51,284	84,228
		215,718	290,704
<b>Electrical and electronic</b>			
General Electric Company .....	650	64,609	79,482
Texas Instruments Incorporated .....	200	29,832	37,626
Zenith Radio Corporation .....	600	59,350	76,356
		153,791	193,464

<b>Publishing and communications</b>	<b>Number of shares</b>	<b>Average cost</b>	<b>Value based on market quotations*</b>
Capital Cities Broadcasting Corporation .....	1,000	28,757	60,740
Maclean-Hunter Publishing Company Limited	1,600	57,453	56,000
Taft Broadcasting Company .....	2,000	33,627	68,260
		119,837	185,000

#### **Chemicals**

Bristol-Myers Company .....	300	24,624	30,639
Merck & Co., Inc. ....	1,000	60,704	73,100
		85,328	103,739

#### **Capital goods**

Boeing Company .....	500	64,798	75,185
Cincinnati Milling Machine Company .....	750	41,778	58,455
Dominion Foundries and Steel, Limited .....	1,100	30,404	29,700
General Motors Corporation .....	600	68,499	66,438
		205,479	229,778

#### **Transportation**

Canadian Pacific Railway Company .....	1,800	68,902	122,850
Caterpillar Tractor Co. ....	1,000	54,337	57,110
The Pennsylvania Railroad Company .....	1,500	42,139	94,740
United Air Lines, Inc. ....	800	66,677	90,088
		232,055	364,788

#### **Miscellaneous**

Power Corporation of Canada Limited .....	4,300	37,300	56,975
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### **COMMON STOCKS — NATURAL RESOURCES**

#### **Forest products**

International Paper Co. ....	1,000	39,836	31,850
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#### **Oil and gas pipelines**

Canadian Industrial Gas & Oil Ltd. ....	4,000	44,937	48,500
Royal Dutch Petroleum Company .....	2,000	86,578	91,920
Standard Oil Company (New Jersey) .....	1,000	89,133	85,870
Texaco Incorporated .....	500	36,439	43,270
		257,087	269,560



<b>Metals and mining</b>	<b>Number of shares</b>	<b>Average cost</b>	<b>Value based on market quotations*</b>
International Nickel Company of Canada, Limited .....	850	75,401	84,150
<b>Total common stocks</b> .....		1,943,979	2,406,040
<b>PREFERRED STOCKS</b>			
Home Oil Company Limited — Class “A” .....	4,000	74,000	75,500
<b>Total stocks</b> .....		\$2,017,979	\$2,481,540
<b>BONDS</b>			
<b>Government of Canada</b>	<b>Par value of bonds</b>		
Government of Canada —			
4½ % due December 15, 1966 .....	\$100,000	\$ 99,879	\$ 99,550
5 % due October 1, 1968 .....	155,000	155,069	153,915
5½ % due April 1, 1969 .....	265,000	271,475	267,650
		526,423	521,115
<b>Corporate</b>			
Monsanto International Finance Company 4½ % Guaranteed Convertible Sinking Fund Debentures due October 15, 1985 .....	75,000	85,781	83,955
<b>Total bonds</b> .....		612,204	605,070
<b>TOTAL INVESTMENTS</b> .....		\$2,630,183	\$3,086,610

\* Market values are based on quotations at the close of business on Tuesday, November 30, 1965 converted, in the case of foreign securities, at the rate of exchange prevailing on that date.

To the Shareholders of

Andreae Equity Investment Fund Limited:

In our opinion the Statement of Investments held as at November 30, 1965 fairly presents the information it purports to show.

Toronto, Ontario  
December 31, 1965

(sgd.) Price Waterhouse & Co.,  
Chartered Accountants.

## STATUTORY INFORMATION:

1. The full name of the Company is Andreae Equity Investment Fund Limited, (hereinafter called the "Company"). The address of the head office of the Company is 55 Yonge Street, Toronto 1, Ontario.

2. The Company was incorporated as an investment company by Letters Patent dated August 23, 1960 under The Corporations Act of Ontario. The Company obtained Supplementary Letters Patent dated August 15, 1963 and August 24, 1964, the latter providing for the variation of the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class "A" shares.

3. The general nature of the business actually transacted by the Company is operating as an open-end investment company and investing its assets in securities. There are no restrictions on investments imposed on the Company by its Letters Patent. However, the Board of Directors has laid down the following general rules to guide the Company's investment policy:

1. In the purchase of securities, first consideration shall be given to growth of capital with due regard to safety of principal and income;
2. Not more than 10% of the assets of the Company may at any time be invested in one security with the exception of government securities; and
3. All securities other than government securities purchased by the Company shall be listed on recognized stock exchanges provided that the Company may purchase securities not so listed up to a maximum of 20% of the assets of the Company and may also purchase securities not so listed in excess of 20% of the assets of the Company with approval of the Board of Directors.

In addition to the foregoing, the Company is prohibited from:

- (a) Investing in securities of any issuer if such purchase at the time thereof would cause more than 10% of the voting securities of such issuer to be held by the Company;
- (b) Investing more than 25% of the Company's total assets (taken at market value at time of purchase) in companies comprising any industry;

- (c) Purchasing shares of an open-end Mutual Fund except where (i) the Fund whose shares are being acquired has similar general investment aims as the Company; (ii) the Fund whose shares are being acquired is qualified in the same jurisdictions as the Company; (iii) the shares of the Fund being acquired are purchased at the net asset value thereof and (iv) only one management fee is charged during the period the shares of the other Fund are held;
- (d) Purchasing securities on margin or effecting short sales;
- (e) Purchasing securities which are the object of an initial sale and distribution, unless said securities may be lawfully sold in (a) the jurisdiction in which the Company is registered, and/or (b) the jurisdiction in which the issuer is situate;
- (f) Underwriting or participating in the marketing of securities of any other Company;
- (g) Borrowing money except under certain exceptional circumstances or for redemption of shares. Such loans in any event, shall never exceed 5% of the Company's total assets (at market value at time of borrowing);
- (h) Making or granting any loan to any officer or director of the Company, its manager or its sales organization;
- (i) Investing in the securities of any security issuer in which a director, officer or employee of the Company or its Manager has an interest, direct or indirect, unless such director, officer or employee discloses his interest immediately;
- (j) Purchasing securities other than through normal public market facilities, except under certain exceptional circumstances, and the purchase price must approximate the prevailing market price or be negotiated on an arm's length basis;
- (k) Investing in securities which would result in or require an unlimited participation of the Company in the debt of the issuer of such securities;
- (l) Purchasing or selling commodities or commodity contracts; and
- (m) Investing in mortgages or real estate.

4. The names in full, present occupations and home addresses in full of the Directors and Officers of the Company are as follows:

**Laurence Melville Savage**, Director and Chairman of the Board, Executive; R.R. #4, Galt, Ontario.

**Herbert Christopher Andreae**, Director and President, Investment Counsel; 38 Dunvegan Road, Toronto 7, Ontario.

**James Walton Bennett**, Director and Vice-President, Investment Counsel; 69 Lonsdale Road, Toronto 7, Ontario.

**George Frederick Bain**, Director, Executive; 1060 Cedar Grove Boulevard, Oakville, Ontario.

**George Harold Craig**, Director, Chartered Accountant; 23 Tullis Drive, Toronto 7, Ontario.

**Robert Louis Hoguet, Jr.**, Director, Banker; 1088 Park Avenue, New York, New York.

**Robert Parker MacFadden**, Director, Banker; 770 Park Avenue, New York, New York.

**Marius Elisabertus Kossen**, Treasurer and Assistant Secretary, Accountant; 7 Cavendish Crescent, Bramalea, Ontario.

**John Wesley Craig**, Secretary, Sales Executive; 24 Tyndall Ave., Apt. 510, Toronto, Ontario.

5. Pursuant to the terms of an agreement dated as of the 10th day of November, 1965, the Company has retained the services of International Fund Distributors Limited (hereinafter sometimes called the "Manager"), Toronto, Ontario, to act as investment advisor to the Company and to manage the assets of the Company, including the selection, purchase, sale and continuous supervision of the securities of the Company. The said agreement will commence on the date of this prospectus and will continue in force from year to year until either party gives notice of termination in writing to the other party at least 30 days prior to the expiration of this prospectus or any renewal thereof.

Under the terms of the said agreement, investment of the assets of the Company is subject to the authorization and approval of the Board of Directors of the Company. The Company contributes \$500.00 per month to the Manager towards the cost of office space, personnel and facilities provided by the Manager for the benefit of the Company. The Manager at its own expense, supplies all additional required office

space, personnel and facilities necessary for the business of the Company and will keep the accounts of the Company and is entitled to receive for such services at the end of each quarter, a fee of 1/8th of 1% of the net asset value of the Company at the end of each such fiscal quarter.

The names and home addresses in full of the Directors and Officers of the Manager together with their present occupation, directorships and business experience for the preceding five years, are as follows:

**Herbert Christopher Andreae**, Investment Counsel, 38 Dunvegan Road, Toronto, Ontario. Director and President, H. C. Andreae & Company Limited; Director and President, Andreae Equity Investment Fund Limited; Director and Vice-Chairman, International Trust Company; Director and President, International Fund Distributors Limited; Director, Canadian Industrial Gas & Oil Ltd.; Director, Debenture & Securities Corporation Limited. For the past five years, President and Director, H. C. Andreae & Company Limited.

**George Frederick Bain**, Executive, 1060 Cedar Grove Boulevard, Oakville, Ontario. Director, International Fund Distributors Limited; Director, Andreae Equity Investment Fund Limited. For the past five years, Economist, Upper Lakes Shipping Limited, 417 Queen's Quay West, Toronto, Ontario.

**Laurence Melville Savage**, Executive, R.R. #4, Galt, Ontario. Director and Vice-President, Canada Permanent Mortgage Corporation, and Canada Permanent Trust Company; Director, a chartered Canadian Bank; Director and Chairman, Andreae Equity Investment Fund Limited; Director and Vice-President, International Fund Distributors Limited; Director, Dominion of Canada General Insurance Company; Director, Union Gas Company of Canada Limited. For the past five years, President, Chief Executive Officer and Chairman of the Board, Savage Shoes Limited.

**George Harold Craig**, Chartered Accountant, 23 Tullis Drive, Toronto 7, Ontario. Director, International Fund Distributors Limited; Director, Andreae Equity Investment Fund Limited. For the past five years, partner, Craig, Norman & Co.

**John Wesley Craig**, Sales Executive, 24 Tyndall Ave., Apt. 510, Toronto, Ontario. Secretary, Andreae Equity Investment Fund Limited; General



Manager, International Fund Distributors Limited. For past five years, sales executive with United Investment Services Limited.

**Marius Elisabertus Kossen**, Accountant, 7 Cavenish Crescent, Bramalea, Ontario. Treasurer and Assistant Secretary, Andreae Equity Investment Fund Limited; Secretary/Treasurer, International Fund Distributors Limited. For the past five years, Treasurer and employee, H. C. Andreae & Company Limited.

The Manager takes advice upon American securities from the International Trust Company, a wholly owned subsidiary of International Banking Corporation which in turn is wholly owned by First National City Bank, New York. These advisors do not comprise a formal committee as their function is purely advisory and all investment decisions (subject to the approval of the Board of Directors of the Company) are made by the Manager. The above-mentioned advisors are entitled to 1/5th of the management fee for such services.

6. The auditors of the Company are Price Waterhouse & Co., 55 Yonge Street, Toronto 1, Ontario.

7. Canada Permanent Trust Company at its offices in Toronto, Ontario; Montreal, Quebec and Vancouver, British Columbia, is Registrar and Transfer Agent.

8. The authorized capital of the Company is \$1,444,800 divided into 6,499,000 Class "A" shares, with a par value of 20 cents each (hereinafter called the "Class "A" Shares") and 725,000 common shares with a par value of 20 cents each. As at the 30th day of November, 1965, 1,177,040 Class "A" shares had been issued and 230,512 thereof had been redeemed. Therefore, as at the 30th day of November, 1965, 946,528 Class "A" shares were issued and outstanding as fully paid and non-assessable. In addition, 30 of the common shares have been issued and are outstanding as fully paid and non-assessable.

9. The Class "A" shares of the Company are the only shares of the Company offered for sale to the public. The Class "A" shares and common shares have attached thereto the preferences, rights, conditions, restrictions, limitations and prohibitions hereinafter set forth:

(1) Each holder of the said Class "A" shares shall be entitled at any time to require the Company

to the extent that the Company has capital redemption reserve available for such purposes and out of such reserve, as hereinafter provided, to redeem all or any part of the Class "A" shares registered in the name of such holder upon the books of the Company at the liquidating value of such shares; each holder of the said Class "A" shares requiring the Company to redeem all or any part of such Class "A" shares shall present the certificate or certificates therefor, duly endorsed or accompanied by a proper instrument of transfer, either at the office of the custodian of the Company's assets or such other office or agency (if any) as may be designated from time to time for the purpose by the Board of Directors of the Company or at the head office of the Company; the method of computing such liquidating value, the time as of which such liquidating value shall be computed, and the time of payment therefor shall be determined as hereinafter provided;

- (2) In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Class "A" shares shall be entitled to receive, before any distribution of any part of the assets of the Company among the holders of the common shares, the par value of the Class "A" shares; thereafter the holders of the common shares shall be entitled to receive the par value of the common shares; and thereafter the holders of the Class "A" shares and common shares shall rank equally share for share in any remaining assets of the Company;
- (3) The common shares shall not be subject to redemption but in all other respects the common shares shall rank equally with the said Class "A" shares with the exceptions of
  - (i) the preference in favour of the Class "A" shares in the event of the liquidation, dissolution or winding up of the Company, and
  - (ii) the restriction on the voting rights of the Class "A" shares herein provided;
- (4) The subscription price of shares of the Company shall be the net asset value thereof as at the close of business on the last business day

on which the Toronto Stock Exchange is open preceding the day of receipt of a subscription therefor determined and computed in the same manner as the liquidating value is determined and computed pursuant to subclause (b) of clause (5) herein; all moneys received by the Company as the subscription price for its shares over and above the par value of 20 cents for each such share shall be added to and form part of the capital redemption reserve, except that amount equivalent to the per share amount of net earned income as at the time of determining and computing the subscription price therefor as aforesaid, which amount shall be added to and form part of the paid-in income account;

(5) (a) The liquidating value of each share of the said Class "A" shares presented to the Company for redemption as aforesaid shall be determined as at the close of business on the day of presentation of such share or shares to the Company for redemption, providing that the Toronto Stock Exchange is open and if the Toronto Stock Exchange is not open on such day of presentation it shall be determined as at the close of business on the next business day on which the Toronto Stock Exchange is open following the day of presentation of such share or shares for redemption;

(b) The liquidating value of each share of the said Class "A" shares of the Company as of any particular time shall be the quotient obtained by dividing the value as at such time of the net assets of the Company (that is the value of the assets of the Company less its liabilities, exclusive of shareholders' equity represented by paid-up capital and the balances of surplus and income accounts) by the total number of shares of the Company of both classes outstanding at such time, all determined and computed as follows:

A. The assets of the Company shall be deemed to include:

- (a) all cash on hand, on deposit or on call;
- (b) all bills and notes and accounts receivable;
- (c) all shares and subscription rights and

other securities owned or contracted for by the Company other than its own shares;

- (d) all stock and cash dividends and cash distribution to be received by the Company and not yet received by it but declared to shareholders of record on a date on or before the date as of which net liquidating value is being determined;
- (e) all interest accrued on any fixed interest bearing securities owned by the Company; and
- (f) all other property of every kind and nature, including prepaid expenses;

The value of such assets to be determined as follows:

(I) The value of any cash on hand, on deposit or on call, bills and notes and accounts receivable, prepaid expenses, cash dividends and accrued interest declared or accrued as aforesaid and not yet received shall be deemed to be the face amount thereof, unless the Board of Directors shall have determined that any such deposit, call loan, bill, note or account receivable is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Board of Directors shall deem to be the reasonable value thereof;

(II) The value of any share of stock, bond, subscription, right or other security which shall be dealt in upon a recognized public stock exchange shall be determined by the closing sale price and in the case of securities that did not trade the average between the closing asked and bid price therefor, on the date on which such value is being determined, all as reported by any report in common use or authorized as official

by a recognized public stock exchange;

(III) The value of any share of stock, bond, subscription, right or other security which shall not be listed or dealt with in or on any exchange shall be determined as nearly as may be in the manner described in the next preceding subparagraph, except that there may be used for the purpose of determining the sale price or the asked and bid prices any published quotations in common use which may be available; and

(IV) In the case of any security or property for which no price quotations are available as above provided, the value thereof shall be determined from time to time by the Board of Directors in such manner as they shall deem appropriate;

B. The liabilities of the Company shall be deemed to include:

- (a) all bills and notes and accounts payable;
- (b) all administrative expenses payable and/or accrued (including management fees);
- (c) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared on the Company's shares and payable to shareholders of record on the date as of which the value of the Company's shares is being determined;
- (d) all allowances authorized or approved by the Board of Directors for taxes or contingencies; and
- (e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by outstanding shares and surplus of the Company;

C. For the purpose hereof:

- (i) shares of any class of the Company

subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof upon the books of the Company and the amount received or receivable by the Company therefor shall be deemed to be an asset of the Company; and

- (ii) Class "A" shares presented for redemption by the Company shall be deemed to be outstanding until the close of business on the date as of which the liquidating value thereof is being determined, and thereupon until paid the redemption price thereof shall be deemed to be a liability of the Company;

(6) Payment of the liquidating value of such Class "A" shares of the Company tendered to it for redemption as aforesaid shall (subject to the provisions of the next succeeding clause) be made by the Company to the extent that the Company will have any reserve available for such purpose as aforesaid, and out of such reserve within five (5) business days after the liquidating date as of which such shares are being redeemed, the actual amount so paid to be debited to the capital account to the extent of the par value of such shares and the remainder of such amount to be debited to the capital redemption reserve and the income accounts of the Company in the proportion which these accounts bear to the number of shares of all classes outstanding at the date of redemption;

(7) If as of any liquidating date the requests for redemption of Class "A" shares are in excess of the reserve available for such purposes, redemption shall be on a pro rata basis on the shareholdings so tendered for redemption; no shares shall be redeemed if the effect is to render the Company insolvent; every shareholder so tendering shares for redemption shall have redeemed by the Company the same percentage of shares so tendered for redemption as every other shareholder tendering shares for redemption as of such liquidating date;

(8) The holders of Class "A" shares, as such, shall



be entitled only to receive notice of and to attend any annual meeting of shareholders of the Company and any special general meeting of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof but shall not be entitled to any vote at any such meeting, provided that if the Company at any time, or from time to time, shall be in default, as herein defined, in the redemption of any Class "A" share, the holders of Class "A" shares shall be entitled to receive notice of and to attend any meetings of shareholders of the Company and shall be entitled to one (1) vote in respect of each Class "A" share held at any such meeting so long as such default continues; such default shall be deemed to have occurred if the Company

- (a) becomes insolvent, or
- (b) has insufficient reserve available to effect redemption at the time any Class "A" share or shares are tendered to it for redemption, or
- (c) fails to add to the capital redemption reserve and paid-in income account as required herein moneys received by the Company as subscription for its shares;

Notwithstanding anything contained in the by-laws of the Company, the term of office of all persons who may be Directors of the Company at any time when voting rights shall accrue to the Class "A" shares as herein provided, or who may be appointed as Directors after such rights shall have accrued and before a meeting of shareholders shall have been held, shall terminate at the annual meeting of shareholders next following at which Directors are elected or at any special general meeting of shareholders called for the purpose of electing Directors which may be held at any time after the accrual of such rights upon not less than ten (10) days' written notice (excluding both the day of mailing and the day of the meeting) and shall be called by the Secretary of the Company upon the written request of the holders of at least five per cent (5%) of the outstanding Class "A" shares or in default of

the calling of such special general meeting by the Secretary within five (5) days after the making of such request, such meeting may be called by any holder of Class "A" shares;

Notwithstanding anything contained in the by-laws of the Company, upon any termination of the voting rights of the Class "A" shares as herein provided, the term of office of all persons who may then be Directors of the Company or who may be appointed as Directors after such termination and before a meeting of the shareholders shall have been held shall terminate at the annual meeting of the shareholders next following at which Directors are elected or at any special general meeting of shareholders called for the purpose of electing Directors which may be held at any time after such termination of such rights upon not less than ten (10) days' written notice (excluding both the day of mailing and the day of the meeting) and shall be called by the Secretary of the Company upon the written request of the holders of at least five per cent (5%) of the outstanding common shares or in default of the calling of such special general meeting by the Secretary within five (5) days after the making of such request, such meeting may be called by any holder of common shares; and

- (9) The authorization for an application for the issue of Supplementary Letters Patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class "A" shares or to create preference shares ranking in priority to or on a parity with the Class "A" shares, in addition to the authorization by a special resolution, may be given by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class "A" shares duly called for that purpose; the formalities to be observed with respect to the giving of notice of any such meeting, quorum, the conduct thereof and all other matters shall be those from time to time prescribed in the Letters Patent, Supplementary Letters Patent and by-laws of the Company with respect to meetings of shareholders; at any such meeting, the holders of the Class "A" shares shall be entitled to one (1) vote for each Class "A" share held.



10. The Company does not have any bonds or debentures or other securities issued which will rank ahead of or pari passu with the Class "A" shares and does not propose to issue any such bonds, debentures or other securities, nor to incur any other indebtedness except as shown in paragraph 12 hereof.

11. In order to protect its liability to the public in respect of securities sold to the public, the Company has entered into a custody agreement dated August 25, 1964 with Canada Permanent Trust Company providing for all moneys of the Company to be held in a bank account at a chartered Canadian bank in the name of the said Trust Company and all securities owned by the Company to be held by the said Trust Company in its name. The moneys so held may be disbursed and the securities so held may be dealt with only upon written order of the duly authorized signing officers of the Company. The charges for such custodial services are in accordance with an agreed schedule, and for the year ended November 30, 1965 were \$1211.

12. There is no substantial indebtedness to be created or assumed by the Company which is not shown in the balance sheet of the Company as at November 30, 1965, forming part of this Prospectus, and no security has been or is to be given for any indebtedness.

13. There are no options outstanding and none are proposed to be given by the Company in respect of the sale of the Company's securities. However the Company has entered into an Agreement dated July 31, 1964, as amended, appointing Chenard, Therien & Co. Ltd. (formerly Chenard, Freidman & Co. Ltee — Chenard, Freidman & Co. Ltd.) 50 Place Cremazie, Montreal 11, Quebec, exclusive Selling Agent of the Company's Class "A" shares in the Province of Quebec (and in the Province of New Brunswick, if, as and when the Class "A" shares of the Company are qualified for sale in that Province) and the Company has entered into an Agreement dated the 16th day of September, 1965, appointing International Fund Distributors Limited, 55 Yonge Street, Toronto, exclusive wholesale Selling Agent of the Company's Class "A" shares in all other jurisdictions on the terms, conditions, and provisions therein contained, reference to both said Agreements being made hereinafter. Pursuant to the said latter Agreement, International Fund Distributors Limited appointed Stanbury Lee Invest-

ment Funds Limited, Halifax Shopping Centre, Halifax, Nova Scotia, exclusive Selling Agent in Nova Scotia. International Fund Distributors Limited does not actively sell shares of the Company.

14. The Company offers for sale to the public its unissued Class "A" shares in Quebec through Chenard, Therien & Co. Ltd., 50 Place Cremazie, Montreal 11, Quebec, in Nova Scotia through Stanbury Lee Investment Funds Limited, Halifax Shopping Centre, Halifax, Nova Scotia, and in Ontario through C.A.P. 450 Systematic Capital Accumulation Plans as hereinafter described and through designated officials of the Company (each of whom shall be referred to herein as a "Selling Agent"). Chenard, Therien & Co. Ltd. is the exclusive Selling Agent for the Province of Quebec pursuant to the said Agreement which is renewable on a year to year basis until 1969, on certain terms and conditions together with a further right of first refusal thereafter. The Selling Agent in Quebec may appoint qualified sub-agents in the Province of Quebec. All Selling expenses including commissions allowed to sub-agents incurred in Quebec will be borne by the Quebec Selling Agent.

International Fund Distributors Limited has entered into an Agreement with Stanbury Lee Investment Funds Limited by which the latter Company will act as exclusive Selling Agent in the Province of Nova Scotia for a period of 5 years from the date of qualification for sale of the Class "A" shares in the Province of Nova Scotia subject to prior termination on 30 days' notice.

Each Selling Agent is entitled to charge sales commission on cash purchases based on the public offering price of the Class "A" shares as follows:

Aggregate Purchase Price		Sales Commission
Less than	\$5,000	8½ %
5,000 to	14,999	8 %
15,000 to	24,999	7 %
25,000 to	49,999	6 %
50,000 to	74,999	5 %
75,000 to	99,999	4 %
100,000 to 499,999	maximum of	3½ %
500,000 to 749,999	maximum of	3 %
750,000 to 999,999	maximum of	2½ %
1,000,000 and over	maximum of	2 %

The public offering price is payable on application as provided in the Plans and Programmes referred to in this paragraph 14. The public offering price on cash sales of less than \$5,000.00 will be 109.29 per cent of the net asset value adjusted to the nearest cent of the Class "A" shares at the time of the sale determined in accordance with paragraph 9 of this Prospectus. Further reductions of the sales commission are indicated in the table shown above. In all cases the net amount which the Company receives after payment of sales commission will always be at least the net asset value of the Class "A" shares in effect at the time of the sale.

A purchaser may qualify to pay sales commission at the above rates by signing a letter of intent to invest a specific sum of money within two years provided that his initial investment is at least 10% of such sum. If he does not achieve his objective within the said two year period, the Custodian has the right to liquidate sufficient of his Class "A" shares to compensate for the higher sales commission that would have been payable if a letter of intent had not been signed.

Class "A" shareholders may elect to have their dividends on Class "A" shares automatically reinvested in additional Class "A" shares, without payment of any sales commission. In addition Class "A" shareholders, subject to the provisions of the letters patent of the Company set out in paragraph 9 hereof, may at any time redeem all or any part of the Class "A" shares held by them subject to the deduction by Canada Permanent Trust Company of a redemption fee of \$2.00.

A holder of Class "A" shares (including a Planholder and Programme-holder) desiring to have shares redeemed by the Company may surrender the certificate or certificates properly endorsed representing such shares at the head office of the Company or at the offices of Canada Permanent Trust Company at 253 Bay Street, Toronto, Ontario, or 600 Dorchester Boulevard West, Montreal, Quebec.

A holder of Class "A" shares (including a Planholder and a Programme-holder) may transfer the whole or any specified number of Class "A" shares held by or for him to another person approved by a Selling Agent or to another type of Plan or Programme offered by such Selling Agent upon payment of a

transfer fee of \$2.00 to Canada Permanent Trust Company and the payment of any required transfer tax thereon.

A Planholder or Programme-holder in respect of Class "A" shares will be charged a fee of \$2.00 by Canada Permanent Trust Company for each dishonoured cheque.

**Cash Purchase:** Class "A" shares of the Company may be purchased from time to time at the public offering price in any amount of not less than \$100. A share certificate of the Company with respect to such shares will be promptly delivered to the Purchaser.

**Accumulation Plans:** (available only in the Province of Quebec). An Accumulation Plan may be established with an initial investment as low as \$40 and subsequent investments as low as \$20. Such subsequent investments are normally made each month after the issue of the Plan. The Class "A" shares will be held by Canada Permanent Trust Company, (the "Custodian"), for the Planholder, and credited to the Planholder's account by the Custodian. All dividends payable thereon will be received by the Custodian and automatically reinvested in additional Class "A" shares for the Planholder at the then current net asset value. The Custodian will deduct from investments prior to the purchase of Class "A" shares, all sales charges, the Custodian's fee, and administration fees shown in Table I, headed "Accumulation Plans", and will invest the balance in Class "A" shares of the Company at the net asset value of such shares (determined in accordance with paragraph 9 of this Prospectus), at the time such investment or investments are received by cash, cheque, money order or other bankable funds at the Montreal office of Canada Permanent Trust Company. The Custodian's charges shall be reduced by 50% if 6 to 11 investments are made at one time and by 75% if 12 or more investments are made at one time under an Accumulation Plan.

A Planholder may on request obtain a certificate representing Class "A" shares held for his account.

A Planholder may at any time terminate a Plan held by him. Upon such termination, the Custodian shall deliver a certificate of the Company for all Class "A" shares held under such terminated Plan to the Planholder. In the event of such termination, the

TABLE I

ACCUMULATION PLANS										
Plan Denomination	Minimum Initial Investment	Each Subsequent Minimum Investment	Sales Commission Deduction From Minimum Initial Investment	Balance Available For Actual Investment From Minimum Initial Investment	Sales Commission Deduction From Each Of 2nd-12th Minimum Subsequent Investment	Balance Available For Actual Investment From Each Of 2nd-12th Minimum Subsequent Investment	Sales Commission Deduction From the 13th And Each Minimum Subsequent Investment	Balance Available For Actual Investment From The 13th And Each Minimum Subsequent Investment	Commission % Of The Plan Denomination	Custodian's Fee Deduction From Each Minimum Investment
PLANS REQUIRING 124 MINIMUM INVESTMENTS										
\$ 2,500	\$ 40	\$ 20	\$ 19.00	\$ 20.50	\$ 9.25	\$ 10.25	\$ 0.93	\$ 18.57	9 %	\$ 0.50
3,750	60	30	29.00	30.30	14.05	15.25	1.37	27.93	9 %	0.70
5,000	80	40	39.00	40.10	19.00	20.10	1.72	37.38	8.8 %	0.90
6,250	100	50	48.75	50.25	23.75	25.25	1.98	47.02	8.5 %	1.00
7,500	120	60	58.75	60.25	28.75	30.25	2.20	56.80	8.3 %	1.00
10,000	160	80	78.50	80.25	38.50	40.25	2.67	76.08	8 %	1.25
12,500	200	100	98.25	100.25	48.25	50.25	3.08	95.42	7.8 %	1.50
15,000	240	120	118.00	120.25	58.00	60.25	3.43	114.82	7.6 %	1.75
20,000	320	160	157.75	160.25	77.75	80.25	4.16	153.84	7.4 %	2.00
25,000	400	200	197.00	200.50	97.25	100.25	4.98	192.52	7.3 %	2.50
PLANS REQUIRING 125 MINIMUM INVESTMENTS										
50,000	400	400	197.00	200.50	197.25	200.25	5.65	391.85	6 %	2.50
75,000	600	600	297.00	300.50	297.25	300.25	5.65	591.85	5.6 %	2.50
100,000	800	800	397.00	400.50	397.25	400.25	5.65	791.85	5.4 %	2.50
PLANS REQUIRING 179 MINIMUM INVESTMENTS										
3,600	40	20	19.00	20.50	9.25	10.25	1.10	18.40	8.5 %	0.50
5,400	60	30	29.00	30.30	14.05	15.25	1.64	27.66	8.5 %	0.70
7,200	80	40	39.00	40.10	19.00	20.10	2.17	36.93	8.5 %	0.90
9,000	100	50	48.75	50.25	23.75	25.25	2.73	46.27	8.5 %	1.00
10,800	120	60	58.75	60.25	28.75	30.25	3.08	55.92	8.25 %	1.00
14,400	160	80	78.50	80.25	38.50	40.25	3.97	74.78	8.1 %	1.25
18,000	200	100	98.25	100.25	48.25	50.25	4.85	93.65	8 %	1.50
21,600	240	120	118.00	120.25	58.00	60.25	5.82	112.43	8 %	1.75
28,800	320	160	157.75	160.25	77.75	80.25	7.55	150.45	7.9 %	2.00
36,000	400	200	197.00	200.50	97.25	100.25	9.22	188.28	7.8 %	2.50
PLANS REQUIRING 180 MINIMUM INVESTMENTS										
72,000	400	400	197.00	200.50	197.00	200.50	10.10	387.40	5.7 %	2.50
108,000	600	600	297.00	300.50	297.00	300.50	10.28	587.22	4.9 %	2.50
144,000	800	800	397.00	400.50	397.00	400.50	10.22	787.28	4.5 %	2.50

Planholder will not be entitled to repayment of the sales commission or any part thereof already paid under any such Plan. The Planholder may, in lieu of receiving a certificate for all such Class "A" shares, direct that the shares held under the Plan be sur-

rendered to the Company for redemption and in that event such shares shall be surrendered for redemption and the proceeds of redemption shall be paid to the Planholder. Except for forfeiture of sales commission, custodian fees and administration fees, as aforesaid



and payment of a liquidation fee of \$2.00 to Canada Permanent Trust Company, there is no penalty or discontinuance fee for early termination of a Plan.

In the event that the Class "A" shares of the Company are no longer available for investment for a reasonable period of time or in the event that the Planholder defaults in making any investments under the Plan for a period of one year after the same becomes due, the Selling Agent may at its option terminate the Plan by giving written notice thereof to the Planholder. After such termination the Custodian is authorized to redeem sufficient shares of the Company standing in the Planholder's account to pay all authorized deductions and to transfer all the remaining shares into the name of the Planholder and deliver a certificate for the same to the Selling Agent for delivery to the Planholder upon surrender of his Plan Certificate. In the event that the Plan is terminated because the Company's Class "A" shares are no longer available for investment, the Selling Agent will refund the sales charge deductions on investments made under the Plan to the extent that the percentage such sales charge deductions bear to such investments made exceed the percentage that the total sales charge deductions would have been to the total investments made if the Plan had been completed.

The amount of the Planholder's initial investment, will be promptly refunded to him in full upon receipt of his written request made within 30 days after acceptance of the Plan.

**Accumulation Plans with Insurance:** (available only in the Province of Quebec). Accumulation Plans are available with insurance on the life of the Planholder or the person designated by him (hereinafter called the "Insured") arranged through Global Life Insurance Company (hereinafter called the "Insurer") to provide, in the event of the death of the Insured, for payment to the Custodian of an amount equal to the aggregate unpaid deposits under the Plan to the maximum of the first \$25,000 of the Plan objective excluding any monthly investments after the Insured has attained the age of 66. No person may become insured if he has attained the age of 66. In the initial years the premium paid with each investment is not sufficient to cover the insurance provided. Should any such Plan be terminated for any reason prior to its conclusion, or should insurance under any such Plan be terminated as required because the Insured has

attained the age of 66, there will be an additional premium charged to the Planholder's account for the insurance coverage enjoyed by him to termination based on the higher premium rate (calculated at the Insurer's standard rates for term insurance) applicable to such insurance coverage for the reduced term of the insurance. Payment of the proceeds of the insurance after the deduction of all sales charges applicable to the particular Plan will be applied by the Custodian to purchase Class "A" shares of the Company to complete such Plan. An additional cost over and above each monthly investment in a Plan for such life insurance will be charged. The basic premium rate applicable to insured persons of all ages of standard risk as determined by the insurer in accordance with underwriting principles, including the total and permanent disability feature (applicable only to such Insured prior to their 60th birthday), payable under the Plans on a level premium basis is 39.5¢ per \$10 deposit on Plans requiring 124 investments and 60¢ per \$10 deposit on Plans requiring 179 investments which monthly premiums remain constant throughout the Plan (subject to the Insurer's right annually to vary the premiums based on experience). Insurance in excess of \$25,000 is available on similar terms at increased premium rates, particulars of which will be supplied by the Insurer upon request. An insured of substandard risk as determined by the Insurer is a person who by reason of a health impairment is not acceptable at the basic premium rate but who is an acceptable risk at an increased premium rate. Other than the charges referred to aforesaid there is no penalty or discontinuance fee for early termination of the insurance.

If the Planholder fails to make the required contribution to his Plan by reason of illness or injury, (being less than total and permanent disability) and upon the Planholder making satisfactory arrangements for payment of premiums to the Selling Agent, the insurance may be continued at its discretion by the Selling Agent (Policyholder) continuing premium payments, but such insurance shall terminate 7 days after the date of recovery or one year from the date of failure to make such contribution, whichever date first occurs, unless the Planholder shall have resumed making his contributions to the Plan.

On submission to the Insurer of satisfactory proof that any Insured rated as standard while insured here-

under and prior to his 60th birthday has become totally and permanently disabled as a result of bodily injury or disease (if the Insured has complete inability to engage in gainful occupations for which he is reasonably fitted by education, training or experience), the Insurer will continue the insurance on such Insured in force for the amount then in effect without payment of premiums, and commencing six months after submission of such proof will pay to the Selling Agent the part of the required monthly investment of the Planholder representing investment toward the first \$25,000 of the Plan objective as and when they fall due but not after age 66, subject to satisfactory proof of the continuance of such total and permanent disability being submitted to the Insurer at any time on demand but the Insurer will not demand such proof more often than once a year after such disability has continued for two years. If such Insured ceases to be totally disabled or fails to submit proof of the continuance of total disability, the monthly investments and all insurance on such person shall terminate automatically.

In the event that the Insurer fails or refuses to pay under any such insured Plan, the Selling Agent is not required to bring any suit nor incur any expense for collecting on the policy unless first fully indemnified

against all costs, counsel fees and other expenses. All insured Plans are issued with the express understanding that the Selling Agent is not in any way engaged in the insurance business, and that the Selling Agent is not making any representation in any manner whatsoever regarding, or otherwise warranting, the validity or legality of the life insurance arranged for in accordance with the terms of the Plans or of the group policy. If an Insured dies by his own act within two years of effecting insurance or any increase therein, such insurance or increase therein shall be void. The Insurer has the right annually to vary the premiums based on experience.

**C.A.P. 450 Systematic Capital Accumulation Plan**  
(Not available in the Province of Quebec).

The Company makes available Systematic Capital Accumulation Plan #450 through C.A.P. Limited providing for a minimum of 120 investments of equal amounts within a ten year period at the rates set out in Table II.

**Systematic Programme:** Class "A" shares of the Company may be purchased at the public offering price through a Systematic Programme (hereinafter

**TABLE II**

Plan Denomination	Regular Investment	Purchase Credit deductions from each of 12 initial investments	Balance available for actual investment from each of 12 initial investments	Purchase Credit applied to each of remaining 108 investments	Balance available for actual investment in each of remaining 108 investments	Rate of Sales Commission applied to each investment
\$ 2,400	\$ 20	\$ 9.00	\$ 11.00	\$ 1.00	\$ 21.00	9.29%
3,600	30	13.50	16.50	1.50	31.50	9.29%
4,800	40	18.00	22.00	2.00	42.00	9.29%
6,000	50	22.50	27.50	2.50	52.50	9.29%
7,200	60	27.00	33.00	3.00	63.00	8.70%
8,400	70	31.50	38.50	3.50	73.50	8.70%
9,600	80	36.00	44.00	4.00	84.00	8.70%
10,800	90	40.50	49.50	4.50	94.50	8.70%
12,000	100	45.00	55.00	5.00	105.00	8.70%
18,000	150	67.50	82.50	7.50	157.50	7.53%
24,000	200	90.00	110.00	10.00	210.00	7.53%
36,000	300	135.00	165.00	15.00	315.00	7.00%
48,000	400	180.00	220.00	20.00	420.00	7.00%
60,000	500	225.00	275.00	25.00	525.00	6.50%
96,000	800	360.00	440.00	40.00	840.00	6.50%

Holders of C.A.P. Plans are subject to a charge of not more than \$1.00 on each regular investment, a \$1.50 charge on each dishonoured cheque and a \$2.50 charge for each share certificate or redemption.



called the "Programme"). The Programme provides for an initial investment of at least \$100 and for subsequent investments of at least \$100 whenever the Programme-holder desires. A Programme may be terminated by a Selling Agent if the Programme-holder fails to make an investment for 6 months or more, in which event the Custodian shall furnish the Programme-holder with a share certificate for the Class "A" shares then held and shall refund in cash any fraction of a share based on the redemption price then in effect. Investments made by the Programme-holder are applied to the purchase of Class "A" shares of the Company at the public offering price prevailing at the time such investments are received by Canada Permanent Trust Company at its Montreal or Toronto office.

Shares purchased with the initial and all subsequent investments are credited to the Programme-holder's share account maintained by the Custodian. All dividends payable thereon will be received by the Custodian and re-invested in further shares for the Programme-holder at net asset value. When any such Programme has been completed, or at the request of a Programme-holder at any time, the Canada Permanent Trust Company as Custodian will issue a Certificate in the name of the Programme-holder for the Class "A" shares owned by him upon surrender of the Programme-holder's certificate. A charge of not more than \$1.50 per payment shall be deducted by the Custodian to reimburse it for administration expenses.

**Withdrawal Plans:** When an investor has invested a minimum of \$5,000 or has acquired Class "A" shares which have attained a total net asset value of at least \$5,000 he may then liquidate (a) such number of shares each month (or quarter-annually) as is necessary to provide for periodic payments to him of \$50 or any multiple of \$25 above that amount; or (b) he may liquidate a number of shares each month or quarter; provided that Class "A" shares required to be liquidated to make the periodic payments in (a) or (b) aforesaid shall be liquidated as of the last business day of the month or quarter on which the net asset value of the Class "A" shares of the Company is determined. A charge of \$1.00 (subject to revision by the Custodian from time to time) per payment shall be deducted by the Custodian to reimburse it for administration expenses. Dividends shall be reinvested by the Custodian in Class "A" shares of the Company.

HOWEVER, IF SUCH LIQUIDATIONS ARE IN EXCESS OF DIVIDEND INCOME FROM THE CLASS "A" SHARES AND NET CAPITAL APPRECIATION, IT MAY RESULT IN ENCROACHMENT ON OR POSSIBLE EXHAUSTION OF THE SHAREHOLDER'S ORIGINAL CAPITAL.

**Retirement Savings Plan:** A Retirement Savings Plan under which Canada Permanent Trust Company, as Trustee, attends to the registration of the Plan pursuant to the provisions of Section 79B of the Income Tax Act (Canada). All deposits received by the Trustee under a Retirement Savings Plan are used to purchase Class "A" shares of the Fund at the public offering price thereof from time to time. All the conditions of the Plan are referred to in the form of application for membership. The Trustee is entitled to an initial service fee of \$5.00 per Plan and an administration fee of one-half of one per cent per annum of the net asset value of the shares in each Plan, such fee being determined and payable quarterly on the last days of March, June, September and December in each year and being then chargeable to the respective accounts. Shares purchased under this Plan are non-assignable, non-transferable and absolutely inalienable except to the extent permitted by the Income Tax Act (Canada).

**Corporate Pension Plan:** A Corporate Pension Plan is also available, details of which are available from each Selling Agent upon request.

15. There are offered by this Prospectus the unissued Class "A" shares of the Company of the par value of 20¢ each. The public offering price of such Class "A" shares is an amount per share equivalent to the liquidating value thereof from time to time (determined in accordance with the provisions of clause 5 of paragraph 9 hereof) plus a sales commission per share not to exceed 8½% of the public offering price including such commission. Reduced commissions are available in accordance with the rates set out in the table in paragraph 14 hereof.

Of the said public offering price, the net asset value will be payable to the Company and the sales commission will be retained by International Fund Distributors Limited or others engaged in the distribution of the shares. Reference is hereby expressly made to clause 4 of paragraph 9 hereof for the provisions of the Letters Patent of the Company with respect to the



issue of Class "A" shares. Class "A" shares of the Company have been continuously offered for sale since August 23, 1960. During the fiscal year ending November 30, 1964, 160,134 Class "A" shares were issued for a cash consideration of \$435,080.60 and 48,417 were redeemed at a total redemption price of \$126,281.94. During the fiscal year ending November 30, 1965, 411,278 Class "A" shares were issued for a cash consideration of \$1,263,501.54 and 42,419 Class "A" shares were issued for marketable securities valued at \$139,982.70, and 102,584 Class "A" shares were redeemed at a total redemption price paid in cash of \$304,390.80.

16. The estimated net proceeds to be derived from the sale of Class "A" shares hereby offered is dependent on the issue price from time to time and no estimate can be made of the number of shares that will be sold or the estimated net proceeds to be derived from the shares offered.

17. The net proceeds to the Company from the sale of the shares offered by this Prospectus will be used for the general purposes of the Company as set out in Paragraph 3 hereof.

18. In the opinion of the Board of Directors of the Company, no minimum amount must be raised by the issue of the Class "A" shares offered by this Prospectus in order to provide the sums required to be provided to pay the purchase price of any property, any preliminary expenses payable by the Company, any commission payable by the Company, the repayment of any moneys borrowed by the Company in respect of the foregoing matters or the repayment of any bank loans.

19. The Company has no Agreement with an underwriter in respect of its Class "A" shares. However, Chenard, Therien & Co. Ltd., have been appointed exclusive Selling Agent in Quebec (and in New Brunswick, if as and when the said shares are qualified for sale in that Province) of the Company's Class "A" shares by the said Agreement dated July 31, 1964, as amended, and Stanbury Lee Investment Funds Limited have been appointed exclusive Selling Agent in Nova Scotia of the Company's Class "A" shares by the said Agreement dated the 16th day of September, 1965. International Fund Distributors Limited is the general wholesale agent for all other areas.

20. The by-laws of the Company permit the remun-

eration of Directors as determined from time to time by the Board of Directors and provide for the reimbursement of Directors for travelling and other expenses properly incurred in connection with the affairs of the Company. The Company has no investment advisory committee or similar body. However, the Board of Directors has laid down the general policy that no Director, Officer or other official of the Company as such, will be paid any salary for his services to the Company.

21. The Company has paid no remuneration to any Director or Officer of the Company, as such, during any fiscal year up to and including its fiscal year ending November 30, 1965. The Company does not propose to pay any remuneration to any Director or Officer of the Company as such, during the current fiscal year.

22. No amount has been paid or is intended to be paid by the Company as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any securities of the Company.

23. The Company has been carrying on business for more than one year.

24 and 25. Except for transactions entered into in the ordinary course of business or on the general credit of the Company, the Company has not purchased or acquired any property and does not propose to purchase or acquire any property in the future, the purchase price of which is to be defrayed in whole or in part out of the proceeds of this issue or the purchase price of which has been paid by the Company within the last two preceding years.

26. The Company has not issued or agreed to issue any of its securities for consideration other than cash within the two preceding years except for the issue of 42,419 Class "A" shares for securities having a market value of \$139,982.70.

27. No obligations are offered by this Prospectus.

28. Exclusive of services rendered or to be rendered to the Company in the ordinary course of business, which may sooner or later be paid for wholly or partly out of the proceeds of the issue of the securities offered by this Prospectus, no services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of such proceeds. No services have been rendered or are to be



rendered to the Company which have been within the two preceding years or are to be paid for by securities of the Company.

29. No amount has been paid by the Company or is intended to be paid to any promoter, except that International Fund Distributors Limited is entitled to remuneration as set out in paragraph 5 hereof to which paragraph reference is hereby expressly made.

30. No material contracts have been entered into by the Company within the two preceding years except:

- (1) the said Agreement dated November 10, 1965 to retain International Fund Distributors Limited as Manager (see paragraph 5 hereof);
- (2) the said Agreement dated July 31, 1964, as amended, appointing Chenard, Therien & Co. Limited, exclusive Selling Agent in Quebec (see paragraphs 13 and 14 hereof);
- (3) the said two Agreements dated August 25, 1964, with Canada Permanent Trust Company, one appointing it Registrar and Transfer Agent and the other appointing it Custodian (see paragraphs 7 and 11 hereof respectively); and
- (4) the said Agreement with International Fund Distributors Limited made as of the 16th day of September, 1965, appointing it exclusive wholesale distributor of the Fund's Class "A" shares (see paragraph 13 hereof).

A copy of each of the said Agreements may be inspected during ordinary business hours on any business day at the Company's head office.

31. None of the Directors has any direct interest in the promotion of the Company or in any property acquired by the Company within the two preceding years or proposed to be acquired by it except that reference is hereby expressly made to paragraphs 5 and 13 hereof for a statement with respect to the management and distribution contracts between the Company and International Fund Distributors Limited. Messrs. H. C. Andreae, L. M. Savage, G. F. Bain and G. H. Craig are the only directors of the Company who are also officers, directors or shareholders of International Fund Distributors Limited.

32. The Company commenced business on September 2, 1960, and has not acquired and does not propose to acquire any other business.

33. H. C. Andreae is entitled to elect or cause to be elected a majority of the Directors of the Company.

34. The Company has declared cash dividends payable to the holders of Class "A" shares and common shares in respect of the fiscal years indicated below, which amounts were paid following the end of each fiscal year.

<u>Fiscal Year</u>	<u>Amount per Share</u>	<u>Aggregate</u>
1961	2 cents	\$ 1,677.13
1962	2 cents	5,679.02
1963	2 cents	9,798.28
1964	2 cents	12,758.20

In January, 1966, the Company declared and paid a dividend in respect of the fiscal year ending November 30, 1965, to the holders of Class "A" shares and common shares of 3¢ per share in the aggregate amount of \$30,931.98.

## **OTHER MATERIAL FACTS AND INFORMATION**

**Dividend Policy:** The Board of Directors had laid down a general dividend policy for the Company for the current and subsequent fiscal years as follows:

- (1) The Company shall distribute by way of an annual dividend all paid-in income on hand at the end of each such fiscal year plus at least 85% of its net operating revenue after all expenses during any such fiscal year;
- (2) Such annual dividend is to be paid in respect of any such fiscal year during the first quarter following the end of any such fiscal year.

**Re-investment of Dividends:** A shareholder is permitted to give an order to the Company authorizing it to apply all dividends payable in respect of the shares of the Company registered in the name of such shareholder to the purchase of Class "A" shares of the Company, the price per share to be paid being the net asset value per share as at the close of business on the last preceding valuation day.

**Income Tax:** Individual shareholders of the Company who reside in Canada at the time of receiving



dividends from the Company during 1965 are entitled to the 20% tax credit allowed by the Income Tax Act of Canada on dividends received by such residents from Canadian companies during such calendar year.

**Re-investment of Net Profits:** Net profits realized on the sale of securities are to be placed in the reserve for re-investment and are not to be used as distributable surplus.

**Reports to Shareholders:** Quarterly reports with respect to the Company will be forwarded to all shareholders. Such quarterly reports shall consist of 3 unaudited reports and the financial statements (including a statement of investments held) as of the fiscal year end as reported on by the Company's auditors.

**Voting Rights:** The holder of common shares in the capital stock of the Company is entitled to one (1) vote for each common share held at all meetings of shareholders. The rights of the holder of Class "A" shares in the capital stock of the Company to receive notice of, attend and vote at meetings of shareholders is restricted as provided in the said Letters Patent and the said Supplementary Letters Patent of the Company (see Paragraph 9 of this Prospectus in respect of such restrictions).

There are no other material facts not disclosed in the foregoing which includes the information supplied by Mr. Herbert Christopher Andreae, President of the Company.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED: February 8, 1966.

## DIRECTORS

(sgd.) H. C. Andreae  
(sgd.) James W. Bennett  
(sgd.) George F. Bain  
(sgd.) G. H. Craig  
(sgd.) L. M. Savage  
(sgd.) Robert P. MacFadden  
by his agent  
H. C. Andreae  
(sgd.) Robert L. Hoguet, Jr.  
by his agent  
H. C. Andreae

To the best of the knowledge, information and belief of the undersigned, the foregoing constitutes a full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within its knowledge, the undersigned have relied upon the accuracy and adequacy of the foregoing.

## INTERNATIONAL FUND DISTRIBUTORS LIMITED

Per: (sgd.) George F. Bain

## CHENARD, THERIEN & CO. LIMITED

Per: (sgd.) J. A. L. Chenard

The following are the names of all persons who have an interest either directly or indirectly to the extent of not less than 5% in the capital of International Fund Distributors Limited: H. C. Andreae.

The following are the names of all persons who have an interest either directly or indirectly to the extent of not less than 5% in the capital of Chenard, Therien & Co. Limited: J. A. L. Chenard, C. E. Therien.



**AR53**

**PROSPECTUS**

**ANDREAE EQUITY INVESTMENT FUND LIMITED**  
55 Yonge Street, Toronto 1, Ontario

**INVESTMENT MANAGER AND  
WHOLESALE DISTRIBUTOR**

**INTERNATIONAL FUND DISTRIBUTORS LIMITED**  
55 Yonge Street, Toronto 1, Ontario

**EXCLUSIVE QUEBEC DISTRIBUTOR**

**CHENARD, THERIEN & Co. LTD.**  
50 Place Cremazie, Suite 1210, Montreal, Quebec

**EXCLUSIVE NOVA SCOTIA DISTRIBUTOR**

**STANBURY LEE INVESTMENT FUNDS LIMITED**  
Halifax Shopping Centre  
Halifax, Nova Scotia

**LEGAL COUNSEL**

**BLACKWELL, HILTON, TREADGOLD & SPRATT**  
372 Bay Street, Toronto 1, Ontario

**AUDITORS**

**PRICE WATERHOUSE & Co.**  
55 Yonge Street, Toronto 1, Ontario

**PLAN CUSTODIAN**

**CANADA PERMANENT TRUST COMPANY**  
253 Bay Street, Toronto 1, Ontario  
600 Dorchester Blvd. West, Montreal, Quebec

**TRANSFER AGENT & REGISTRAR**

**CANADA PERMANENT TRUST COMPANY**  
Montreal, Toronto, Vancouver

**PROSPECTUS**

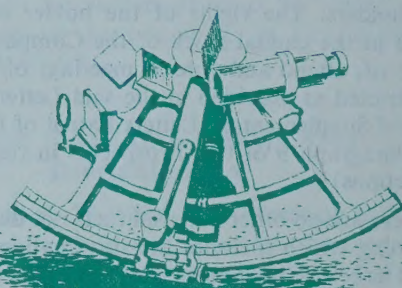
**FEBRUARY 1966**

and

**ANNUAL REPORT**

**as at November 30, 1965**

*Mr. Egan - F-12*



**ANDREAE  
EQUITY  
INVESTMENT  
FUND  
LIMITED**